CLAIMS:

1. (Currently amended) A method of simulation, in a computer, said method comprising:

receiving, <u>in the computer</u>, for at least one business transformation outsourcing service, benefits inputs, process inputs, information technology inputs, and value inputs;

based on said inputs, performing, in the computer, a benefits simulation, a process simulation, an information technology simulation, and a value simulation; and

outputting, by the computer, at least one measure of economic value for said business transformation outsourcing service, wherein:

the benefits simulation, process simulation, information technology simulation, and value simulation have a plurality of periods of simulation, each period having either a current condition under which no outsourcing by the business transformation outsourcing service is performed, a transitional condition in which outsourcing is being put into place, or an outsourcing condition in which outsourcing by the business transformation outsourcing service is performed, and wherein there is at least one period having a current condition, at least one period having a transitional condition, and at least one period having an outsourcing condition,

the process simulation, based on the inputs, computes <u>both</u> a number of transactions during each period of simulation, of the plurality of periods of simulation, and a corresponding process cost, based on a status of the particular period being under one of current conditions, transitional conditions, or during outsourcing conditions,

the process simulation utilizes a flow model showing how transactions flow through sub-processes, wherein a rate at which information technology is substituted for current processes, represented by a schedule, affects the computation of the number of transactions during a transitional condition period of simulation in the benefits simulation, process simulation, and information technology simulation, and the sub-processes through which the transactions flow in the flow model,

the business benefits simulation, based on the inputs, computes a business benefits savings,

the information technology simulation simulates, based on the inputs, the tasks needed to design, build, implement, operate, and maintain new information technology to implement the outsourcing, and computes a transformation cost for each period of simulation, of the plurality of periods of simulation, based on the status of the particular period being under one of current conditions, transitional conditions, or during outsourcing conditions,

the business benefits savings, processing savings, and information technology transformation costs are combined to identify a net savings of transitioning from current conditions to outsourcing conditions,

the value simulation simulates, based on the net savings and business financial input information, effects of transitioning from current conditions to outsourcing conditions, on a financial position of the business, and

the at least one measure of economic value for the business transformation outsourcing service is calculated based on the effects of transitioning from current conditions to outsourcing conditions on the financial position of the business.

- (Original) The method of Claim 1, further comprising: performing said simulations in different modes for different end users.
- 3. (Original) The method of Claim 2, wherein said performing further comprises performing one or more simulations chosen from:
 - a simulation in research and development mode,
 - a simulation in internal use mode, and
 - a simulation in external use mode.
- 4. (Original) The method of Claim 1, wherein said performing a benefits simulation further comprises simulating at least one business transformation outsourcing service chosen from:

sourcing, procurement, payables, human resources,
customer relationship management,
shipping,
finance,
accounting,
insurance claims processing, and
banking back office services.

- (Original) The method of Claim 1, further comprising:
 mapping various forms of said benefits simulation to various forms of said
 business transformation outsourcing service.
- 6. (Original) The method of Claim 1, further comprising:
 representing various forms of said business transformation outsourcing service
 mainly by utilizing various forms of said benefits simulation.
- 7. (Original) The method of Claim 1, further comprising: outputting cost quantities and benefit quantities for a plurality of years.
- 8-24. (Canceled)